

**ORDINANCE NUMBER \_\_\_\_\_, SERIES 2009**

**AN ORDINANCE OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT (“METRO GOVERNMENT”) RELATING TO THE DISCRETIONARY EXPENDITURE BY THE MAYOR OF SURPLUS PROCEEDS ON NOTES, MORTGAGES, LEASES NOT BEING HELD FOR REINVESTMENT AND THE EXPENDITURE OF SURPLUS PROJECT FUNDS CONTAINED WITHIN GENERAL OBLIGATION BONDS.**

**Sponsored By:** Council Members Heiner, Downard and Ward-Pugh

**WHEREAS**, a consolidated local government shall have power and authority as prescribed in KRS 67C.101 (3); and

**WHEREAS**, the Council’s legislative powers are prescribed in KRS 67C.103 (13); and

**WHEREAS**, the Council recognizes the authority of the Executive Branch (Office of the Mayor) of Metro Government as prescribed in KRS 67.C105; and

**WHEREAS**, under these statutes, the legislative council of Metro Government (“Council”) authorizes the issuance of general obligation bonds; and

**WHEREAS**, the Council approves the Metro budget, and appropriates the funds that are expended to purchase property and to finance public projects; and

**WHEREAS**, the Metro Government is the holder of leasehold interest, real property, mortgagees and promissory notes to secure the Metro in its expenditure of the General Fund dollars for authorized projects; and

**WHEREAS**, the Council acknowledges the periodic discretionary movement of funds in certain bonds, notes, mortgages, judgments and other negotiable instruments may be granted to the Mayor, the Chief Financial Officer or the Mayor’s designee; and

**WHEREAS**, the Council has determined to restrict the method of the discretionary movement of said funds whether said movement be through an assignment of a mortgage or lease: a discount in the amount due from a mortgage or leases, forgiveness or any modification that may compromising the debt, or any other type of expenditure; and

**WHEREAS**, it is this Council’s desire that the Mayor or his/her designee submit a report recommending a process for the allocation of any Lease Payment, Mortgage Payment, Premium, Interest Earnings and other surplus bond funds, if any, and to submit quarterly reports to this Council regarding surplus Premium, Interest Earnings and surplus bond funds.

**NOW, THEREFORE, BE IT ORDAINED BY THE METRO COUNCIL OF THE LOUISVILLE/JEFFERSON COUNTY METRO GOVERNMENT, AS FOLLOWS:**

**SECTION I. Definitions.** As used in this Ordinance, unless the context requires otherwise:

“Act” means collectively, Sections 66.011 through 66.191 of the Kentucky Revised Statutes.

“Bond Ordinance” means an ordinance of the Issuer, authorizing and approving Bonds, as amended or supplemented from time to time.

“Bonds” means the Issuer’s “General Obligation [Refunding] Bonds” and, where applicable, the Notes authorized under the provisions of this Bond Ordinance to be issued in one or more series.

“Chief Financial Officer” means the Chief Financial Officer of the Issuer, or such other official of the Issuer as may from time to time be designated by the Issuer to perform the functions or responsibilities of the Chief Financial Officer hereunder.

“Funds and Accounts” means, collectively, the Bond Fund, the Cost of Issuance Account and the Project Fund.

“General Obligation Notes” or “Notes” means, Bonds issued in one or more series as general obligations of the Issuer pursuant to or in accordance with the Act.

“Issuer” means the Louisville/Jefferson County Metro Government, a municipal corporation and political subdivision of the Commonwealth.

“Revenue Commission” means Louisville/Jefferson County Metro Revenue Commission, as successor in interest to the Louisville and Jefferson County Revenue Commission as previously established and operated under the provisions of City of Louisville Codified Ordinances.

The terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular and when expressed in the plural, shall also include the singular.

All accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles.

**SECTION II.** The Issuer, through the Mayor, the Chief Financial Officer or the Mayor’s designee, may change, substitute or otherwise modify the use of the proceeds of any Bond or Note issued hereafter to the extent permitted by the Act; provided, however, that any such changes, substitutions or modifications of the use of the proceeds shall not exceed \$500,000 in the aggregate per Bond to specific projects contained in the Bond and may do so without prior Metro Council approval. However, to the extent that any such change, substitution, or modification does not cause the Issuer to be in violation of any tax or other special covenants, the Mayor or the Mayors designee, may fund other projects not specially set forth in the Bond with prior Metro Council approval.

**SECTION III.** To the extent permitted by law, the Mayor may reduce, modify, assign, forgive or cancel any debt qualified for a reduction under State law in an amount not to exceed 10% of the Note, Mortgage, Lease securing an expenditure of public funds; provided, however, that any such changes, substitutions or modifications of the use of the proceeds shall not violate state law and or exceed \$50,000 without prior Metro Council approval and shall be effective only to the extent that any such change, substitution, or modification does not cause the Metro to project a deficit.

**SECTION IV.** The Mayor or his/her designee shall (1) submit a report to this Council recommending a process for the allocation of any Lease Payment, Mortgage Payment, Premium, Interest Earnings and other surplus bond funds, said funds not being unappropriated general funds held in an investment account and; (2) submit quarterly reports to this Council regarding the surplus funds whether the mortgage, note or lease is held by Finance, Economic Development or any other agency of the Metro.

**SECTION V.** The Revenue commission shall submit a quarterly report as to the surplus funds held in the Bond Fund, the Cost of Issuance Account and the Project Fun for each General Obligation Bond.

**SECTION VI.** This Ordinance shall take effect upon its passage and approval.

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Kathleen J. Herron  
Metro Council Clerk

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David W. Tandy  
President of the Council

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Jerry E. Abramson  
Mayor

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Approval Date

**APPROVED AS TO FORM AND LEGALITY:**

Michael J. O'Connell  
Jefferson County Attorney

BY: \_\_\_\_\_